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SUBJECT: GUINEA-BISSAU: FRENCH MFA PROVIDES OVERVIEW

Classified By: Political Minister-Counselor Josiah Rosenblatt, 1.4 (b/d).

11. (C) SUMMARY: MFA deskoff Damien Syed on August 29 described Guinea-Bissau's political problems, primarily the opposition's refusal to accept the 2005 election results, and their negative effect on national unity and donor confidence.

France is nonetheless crafting a Partnership Framework agreement that will support health care, water management, and agriculture/food security. The pro-France leanings of Guinea-Bissau's leaders, including President Vieira and PM Gomes, while welcomed by France, have alienated potential benefactor Portugal. Keeping the military happy remains a GOGB priority, given its history of involvement in coups; the military performed well during its campaign earlier this year to dislodge Casamance separatists from Guinea-Bissau, further strengthening ties with important neighbor Senegal. China has begun to expand its presence in Guinea-Bissau, including the construction of a luxury hotel in the capital. END SUMMARY.

Political Divisions Harm Economy

12. (SBU) MFA deskoff Damien Syed on August 29 briefed Embassy Dakar Econ Chief Wallace Bain (en route to post) on Guinea-Bissau. Syed described Guinea-Bissau as not completely stable, as a result of the September 2003 coup and the disputed 2005 elections. The opposition continues to reject the election results that made Joao Bernardo Vieira President on August 15, 2005, leading to political deadlock in the legislature and other government institutions. Syed said that he did not expect the opposition to adopt violent tactics, but he could not rule out that possibility.

13. (SBU) Guinea-Bissau's unsettled political situation has discouraged potential donors, Syed commented. Foreign aid is important -- Syed noted that Guinea-Bissau's economy is weak and relies heavily on cashews and its fishing industry. Fishing rights are an important source of income, with Guinea-Bissau placing great importance on licensing arrangements. It recently renegotiated its fishing treaty with the EU, under which the EU agreed to pay 7.5 million euros annually for the right to fish in Guinea-Bissau's waters. Syed was not optimistic that reports of oil deposits in or near Guinea-Bissau would amount to much.

14. (SBU) France is in the process of crafting a Partnership Framework agreement with Guinea-Bissau, such agreements now the standard way for France to lay out its assistance programs over a five-year period for recipient countries. Syed said that French assistance would center on health care, water management, and agriculture/food security, and could amount to 5 million euros annually.

France and Portugal

¶5. (C) Complicating matters and weakening ties with former colonial power Portugal, President Vieira, PM Gomes, and several other leaders are francophiles, with good command of the French language, and, in several cases, close personal ties to France (e.g., PM Gomes's ownership of a home in France). France and Portugal are the only Western countries with ambassadors in Guinea-Bissau; Syed said they were co-located. The leadership's pro-France outlook has alienated Portugal, which would be Guinea-Bissau's expected champion at the EU and in other fora, Syed explained. Syed welcomed France's favorable standing in Guinea-Bissau but he indicated regret that Guinea-Bissau's leaders were not doing more to cultivate ties with Portugal. He regretted as well Portugal's tendency to view France as a rival as a result of the leaders' predilections. Syed described Guinea-Bissau's embassy in Paris as "not really an embassy in our terms."

Keep the Military Happy

¶6. (C) Guinea-Bissau's military, which had participated actively in the 1998 and 2003 coups, was a source of concern, Syed noted, and posed a further risk to stability. Syed said that one of the GOGB's biggest priorities was paying military salaries in order to encourage a more docile military force. France had no military cooperation with Guinea-Bissau, although Syed commented on the need to professionalize the military. Another worry is Guinea-Bissau's status as a transit point for illegal drugs shipped from Latin America to Europe. Syed noted the GOGB's difficulties in trying to control its territory, borders, and maritime zone.

Senegal and Casamance

¶7. (C) At several points, Syed referred to the

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across-the-board importance of Senegal to Guinea-Bissau. In that respect, Guinea-Bissau earned points with its neighbor when it successfully carried out a military campaign earlier this year against Casamance separatists encamped in Guinea-Bissau. Syed said that this was the first time the Guinea-Bissau military had taken action against these separatists and that it did a good job -- there did not appear to be any separatist elements remaining in Guinea-Bissau. Syed commented that one reason for the operation may have been the desire to keep Guinea-Bissau's military occupied.

China

¶8. (C) In passing, Syed said that China was stepping up its presence in Guinea-Bissau. Chinese have become more active on a small scale in the fishing industry, and may have been attracted to Guinea-Bissau because of Vieira's reputation as a "socialist" (although he is not much of one anymore, Syed observed). In terms of bigger projects, the Chinese, according to Syed, are in the process of building a "five-star" hotel in Bissau.

Small French Presence

¶9. (C) Syed said there were at present 98 French citizens (a small number holding dual citizenship) in Guinea-Bissau, about 30 percent of whom worked for French oil company Total, primarily in retail activities. The others worked in the hotel and restaurant sectors. Syed remarked that Guinea-Bissau's tourist industry had some potential for growth, but he noted that, unlike the Chinese, one French company involved in building hotels had canceled a project in Guinea-Bissau, choosing to build in Mali instead.

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